

Representative Sheryl L. Allen proposes the following substitute bill:

**RESOLUTION URGING THE WITHDRAWAL OF
UNITED STATES' WORLD TRADE
ORGANIZATION COMMITMENT ON GAMBLING**

2009 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Sheryl L. Allen

Senate Sponsor: Mark B. Madsen

LONG TITLE

General Description:

This joint resolution of the Legislature supports the withdrawal of the United States' World Trade Organization commitments on gambling.

Highlighted Provisions:

This resolution:

- ▶ supports the withdrawal of the United States' gambling commitments made in the General Agreement on Trade in Services; and
- ▶ expresses concern that the World Trade Organization withheld the terms of a proposed resolution under which the United States withdrew its gambling commitment made in the General Agreement on Trades in Services treaty.

Special Clauses:

None

Be it resolved by the Legislature of the state of Utah:

WHEREAS, the World Trade Organization (WTO) Dispute Resolution Body found the United States to have made a commitment under the General Agreement on Trade in Services



(GATS) in the category of "Other Recreational Services" that covered gambling services;

WHEREAS, the Appellate Body of the WTO acknowledged the importance of "public morals" concerns in this WTO dispute and the legitimacy of the United States "public morals" defense in this case;

WHEREAS, states have considerable authority to regulate and prohibit various forms of gambling;

WHEREAS, a number of states communicated with the Office of the United States Trade Representative (USTR) to express their concern about the WTO decision and its implications for public morals and for state regulation of gambling;

WHEREAS, the USTR took steps last year to rescind the United States' commitment in "Other Recreational Services," consistent with the wishes of states as expressed through letters and direct communications to USTR, as well as the wishes of Congress as exemplified by the Unlawful Internet Gambling Enforcement Act;

WHEREAS, in withdrawing this commitment, the United States had to offer compensatory adjustments in its overall schedule of GATS commitments, providing market access opportunities to United States' trading partners in other sectors;

WHEREAS, the United States has signed Free Trade Agreements with a number of nations that are home to major on-line gambling operations;

WHEREAS, the London-based Remote Gambling Association has already filed a complaint with the European Union asking that Europe bring a new WTO claim against the United States on gambling; and

WHEREAS, the Utah Legislature created the Utah International Trade Commission in 2006 as a legislative commission to address international trade issues:

NOW, THEREFORE, BE IT RESOLVED that the Legislature of the state of Utah expresses its gratitude to the USTR for its forthright position in the WTO gambling commitments dispute, and its willingness to withdraw the United States' commitment under "Other Recreational Services" once it was determined that this commitment covered gambling.

BE IT FURTHER RESOLVED that the Legislature of the state of Utah recognizes that this action reflects the increasing responsiveness of the USTR in addressing the legitimate regulatory concerns of states in light of international trade commitments undertaken by the federal government.

57 BE IT FURTHER RESOLVED that the Legislature of the state of Utah expresses its
58 concern that the terms of the agreement whereby the United States withdrew the commitment
59 under "Other Recreational Services" were withheld from members of Congress, the
60 Intergovernmental Policy Advisory Committee (IGPAC), and state oversight commissions on
61 international trade.

62 BE IT FURTHER RESOLVED that the Legislature of the state of Utah expresses its
63 concern that the USTR's recent actions are an effort to bypass Congress and IGPAC by
64 proposing a solution outside of the constitutional United States Senate treaty ratification
65 process.

66 BE IT FURTHER RESOLVED that the Legislature of the state of Utah expresses its
67 concern that United States' trading partners may attempt to bring further claims against federal
68 and state gambling laws under trade and investment agreements that lack the "public morals"
69 exception found in the WTO GATS.

70 BE IT FURTHER RESOLVED that a copy of this resolution be sent to the WTO,
71 USTR, Utah Congressional delegation, and members of the U.S. Senate Finance and House
72 Ways and Means Committees.

Fiscal Note**H.J.R. 1 1st Sub. (Buff) - Resolution Urging the Withdrawal of United States'
World Trade Organization Commitment on Gambling**

2009 General Session

State of Utah

State Impact

Enactment of this bill will not require additional appropriations.

Individual, Business and/or Local Impact

Enactment of this bill likely will not result in direct, measurable costs and/or benefits for individuals, businesses, or local governments.
